



**MINUTES  
CITY COUNCIL MEETING  
December 4, 2018**

**CALL TO ORDER**

The meeting was called to order at 6:35 pm.

**Present:** Mayor: Marty Schneider; Council: Tim Hultmann, Michelle Jerde, Jahn Dyvik, and Tom Skjaret

**Staff Present:** City Administrator: Scott Weske; Public Works Director: Sean Diercks; City Attorney: John Thames; and City Clerk: Jeanette Moeller

**Absent:** None

**PLEDGE OF ALLEGIANCE**

Prior to reciting the Pledge of Allegiance, Mayor Schneider requested a moment of silence in observance of the passing of President George H.W. Bush.

**MAYOR'S COMMENTS - LONG LAKE NEWS, MEETING REVIEW AND UPDATES**

Mayor Schneider offered the following comments and updates:

By order of the City Council, City offices will be closed on Wednesday, December 5 in recognition of the National Day of Mourning declared to honor the passing of our 41<sup>st</sup> President, George H.W. Bush.

The Chamber of Commerce will be hosting a holiday tree lighting event at Nelson Lakeside Park on December 8 at approximately 5:30 pm, with a fire pit and refreshments to be provided.

The deadline for submitting an entry for the 2<sup>nd</sup> annual holiday home decorating contest is 4:00 pm on December 12, with awards to be announced for multiple display categories at the December 18 City Council meeting.

**APPROVE AGENDA**

*A motion was made by Dyvik, seconded by Jerde, to approve the Agenda as presented. Ayes: all.*

**CONSENT AGENDA**

The Consent Agenda consisted of:

- A. Approve Minutes of November 20, 2018 City Council Meeting
- B. Approve Minutes of November 13, 2018 City Council Work Session
- C. Approve Vendor Claims and Payroll
- D. Authorize the Hennepin County Sheriff's Office Water Patrol Unit to Issue a Special Event Permit to Birch's on the Lake for Use of Long Lake as Stated in Their Permit Application Dated November 20, 2018
- E. Adopt Resolution No. 2018-41 Approving the Issuance (Renewal) of 2019 Residential and Commercial Refuse Hauler Licenses
- F. Adopt Resolution No. 2018-42 Approving the Issuance (Renewal) of 2019 Tobacco Licenses

G. Adopt Resolution No. 2018-44 Approving the Issuance (Renewal) of 2019 Liquor Licenses

*A motion was made by Skjaret, seconded by Hultmann, to approve the Consent Agenda as presented.*

Regarding Consent Agenda Item D, Mayor Schneider noted that Birch's intends to amend their permit request to HCSO Water Patrol to permit broomball league games through 9:30 pm on league nights. Their broomball league nights will not require a noise variance permit as no sound amplification equipment is intended to be used. Birch's has indicated lights will be able to be off by 10:00 pm on league nights, and they plan to build temporary outdoor rinks to accommodate the league.

*Ayes: all.*

**OPEN CORRESPONDENCE**

No one appeared to address the City Council during Open Correspondence.

Mayor Schneider noted that those in attendance to provide comments regarding Agenda Item No. 8 would be given opportunity to do so during the item's discussion.

**BUSINESS ITEMS**

**Recognition Presentation by Mayor Schneider**

**Recognition of Dan MacDonald**

Mayor Schneider presented Mr. MacDonald with a Certificate of Appreciation that read as follows:

This Certificate of Appreciation is presented to  
DAN MACDONALD  
in recognition of his dedicated efforts contributing to improving safety throughout the County Road 112 corridor; and in appreciation of his ongoing engagement in the activities of the Long Lake City Council. We give thanks for his support, and honor his sincere commitment to his community and neighbors.

Mayor Schneider highlighted Mr. MacDonald's efforts with a focus on County Road 112 improvements, thanking him for his assistance in seeking corrections to a speed warning sign that had not been functioning accurately, and for his time in researching on and sharing a state statute reference with the Council to help reduce the speed limit in the east end of town through implementation of an urban density district.

**Recognition of Rick Perry, Sr. and The Perry Family**

Mayor Schneider presented Mr. Perry with a Certificate of Appreciation that read as follows:

This Certificate of Appreciation is presented to  
THE PERRY FAMILY  
with our gratitude for keeping Long Lake running and in good repair since 1965. We give special recognition to Rick Sr. for his 42 years of service as a member of the Long Lake Fire Department; for his ongoing volunteerism participating in Fire Department and community events; and in celebration of his award as this year's 2018 Flannel Fest Champion.  
We give thanks to The Perry Family and Rick Sr. for their ongoing commitment to community through their service and support.

Mayor Schneider expressed his sincere gratitude to the Perry family and to Rick Perry, Sr.

**Recognition of Dr. Dan Hartnett and Long Lake Veterinary Clinic**

Mayor Schneider presented Dr. Hartnett with a Certificate of Appreciation that read as follows:

This Certificate of Appreciation is presented to  
DR. DAN HARTNETT  
LONG LAKE VETERINARY CLINIC  
in recognition of the clinic's excellent care of our community's beloved pets since 1971; and with  
gratitude to Dr. Hartnett for contributing his musical talents to a variety of important  
community occasions through the years including Veteran's Day commemorative activities,  
the Brown Road Bridge dedication ceremony honoring Officer Bill Mathews, and at  
special events such as Buckhorn Days.

Dr. Hartnett rose and introduced his puppy "Clifford" to the Council, who had joined him in attending the meeting.

**Discuss and Consider a Resolution Adjusting Sanitary Sewer Minimum Fixed Charge**

Mayor Schneider recalled that the Council had previously adopted a water and sewer rate increase earlier in 2018. Since then, a great deal of concern had been expressed that a great deal of the burden of the rate increase was being borne by the smaller under 8,000 gallon users. For those users, their minimum sewer charge rose from about \$35.00 to about \$80.00. After hearing from citizens, the Council was supportive of having a committee review the rate structure. Former Mayor Mike Bash, a CEO for utility cooperative Connexus Energy, donated his time to participate along with a "blue ribbon commission" in reviewing reports and documents related to sewer rates. The "blue ribbon commission" recommendation ultimately was to leave usage per 1,000 rates unchanged, but to return the residential minimum fixed sewer rate to \$35.40, and to raise the commercial minimum fixed sewer rate from \$20.00 to \$35.40, thereby creating an equitable situation. It was noted that having a high fixed rate does not provide an incentive to conserve water, with no corresponding savings to be realized. In a review of data provided by the Ehlers utility rate study, Mayor Schneider and Mr. Bash had observed that adopting their Option 1 fee structure had increased billings for Tier 1 under 8,000 gallons users by 62%, while higher volume Tier 2 users up to 16,000 gallons experienced a 32% increase. He noted the utility rate study group had concluded that the brunt of the rate increase was borne by low users under 8,000 gallons, often small households and retirees. Mayor Schneider emphasized that the intent of the "blue ribbon commission" was to find a way to have a more equally balanced rate structure while at the same time realizing the importance of keeping enterprise funds healthy. The group also recommended that in future, Council continues to review rates on an annual basis and perhaps consider engaging a consultant to do a complete top to bottom review of the utility rate structure as well as the formula that factors into establishing rates. Mayor Schneider further commented that while some expenses are going up, income the City will be earning off invested funds also will bring in an offset to increasing expenses.

Council members discussed the proposed sanitary sewer minimum fixed charge rate changes proposed and indicated their support for the recommendation.

Administrator Weske also explained that annually sanitary sewer rates billed to all customers are based on first quarter usage only, as the months of January through March incur the lowest usage throughout the year. He confirmed that this is in place to assure that residents and businesses are not paying higher sewer rates for irrigating their lawns or filling pools in the warmer months. He added that the resolution prepared for the Council's consideration would implement the sanitary sewer rate changes effective for fourth quarter 2018.

Council member Skjaret indicated support for the rate change but provided examples of aging infrastructure that will require replacement and maintenance in the years ahead, and encouraged consideration of diverting funds to establish a capital program for utility related improvements in the future.

Mayor Schneider thanked Mike Bash for his input and volunteer effort in reviewing the rate structure. Mayor Schneider also recognized residents Marlene Dittel, Dan MacDonald, and John Whitman for their involvement.

*A motion was made by Dyvik, seconded by Hultmann, to adopt Resolution No. 2018-43 adjusting the sanitary sewer minimum fixed charge effective for the fourth quarter 2018 billing cycle. Ayes: all.*

Mayor Schneider welcomed comments from the audience following the Council's action.

Dan MacDonald, 335 Russell Lane – Mr. MacDonald stated that he is concerned about the escalator clause included in the adopting resolutions. He noted the Council should be making the decision annually and taking heat at the election from whatever is decided.

Mayor Schneider expressed his hope that the new Council will remain committed to fairness. Reflecting on the earlier divisiveness of utility rate discussions, he commended all the members of the Council for having an open mind and for taking a productive approach to resolving the rate issue within a short time.

### **Public Meeting to Discuss Proposed 2019 Budget and Levy**

Weske advised that the purpose of this public meeting item is to provide an opportunity for the public to ask any questions and make comments related to the following year's budget and levy. No action is required at this meeting; however, meeting comments would be taken into consideration in preparation for adoption of the final 2019 budget and total levy at the regular meeting of December 18, 2018.

Weske provided a presentation which reviewed budget factors including:

- An assumption that \$0 of Local Government Aid (LGA) will be received in 2019, down from \$6,580 in 2018. In 2009, LGA received totaled \$159,040.
- License and permit revenues are expected to remain flat, but a temporary increase in building permit fees can be anticipated due to the development of the 1070 W Wayzata Boulevard subdivision.
- A planned salary step increase for the Public Works Director position, a 3% salary range move for other staff, and an increase of one full-time position at City Hall.
- Regarding benefits, a 18% increase in employee health insurance and 1.9% increase in employee dental insurance premiums is estimated.
- An assumed 4% increase in workers compensation insurance premiums, and a 0% increase in city liability insurance premiums.
- Major General Fund capital items for 2019 including \$50,000 budgeted for a seal coat project; and the continuation of annual capital replacement/maintenance activities including purchase of a pickup truck for Public Works.

Weske provided a review of recent City market value trends, discussed the history of the City's tax levy from years 2013 through proposed 2019, and provided a comparison of local area city tax rates. Weske also presented pie charts and percentages depicting General Fund revenue sources as well as General Fund expenses in the areas of Public Safety, Public Works, Parks, and General Administration services. He summarized the 2019 General Fund budget as it is currently proposed and explained that the operating levy and debt service levy total net levy of \$1,064,579 would be a 0% and 0\$ increase over the 2018 levy. He noted that the City's gross tax capacity had increased approximately 3.33%, and the City's proposed \$0 increase levy accompanied by the 3.33% gross tax capacity increase will actually result in approximately a -0.92% decrease of the local City tax rate for 2019.

Mayor Schneider opened the meeting for public comment, and clarified that the City cannot take action voting for a levy higher than the 0% preliminary levy previously adopted.

No public comment was received.

Council member Dyvik voiced that he was glad to see holding the levy at a 0% increase would result in a reduction of the City's tax rate. He asked what process determines the amount of LGA received by a community.

Weske responded that he does not have a complete answer on how the state determines LGA amounts, but he is aware they utilize a large and complex formula involving the number of households built before 1971 and how much debt is outstanding versus a City's tax capacity. He had spoken with a representative from Metro Cities who had offered to assist to help the City learn more about why Long Lake's LGA has been removed. He is awaiting the representative's response currently.

Mayor Schneider indicated that he had reached out to the state and had learned that part of the reduction in LGA is incorrectly attributable to the City's demographic – while examples of Wayzata, Medina and Orono were quoted, the demographic of Long Lake in terms of median home value is substantially different than those communities. Sadly, he had learned a lot is determined at the political level through legislative lobbying. He stated his support for researching more detail about how LGA is calculated and how the City's loss of LGA could be addressed, as Long Lake differs from its much wealthier neighbor cities.

Mayor, Council and staff discussed potential LGA legislative changes; the allocation of cell tower lease revenues in city funds; and recognizing that needed street improvements/replacements, particularly Grand Avenue, will need to be considered when preparing for future annual levies.

#### **Update Regarding City Investments From Jack Fay, RBC Capital Markets**

Mr. Fay reviewed the status of migrating the City's investments to RBC for management, maturities coming up within a week's time, and referred to exhibits he had provided in Council member's meeting packets to suggest some ideas for proactively putting the City's invested funds to work.

Mayor, Council and staff discussed investment strategies with Mr. Fay, with favorable focus being on varying between short term and three-year investment terms. Mayor Schneider commented that the Federal Reserve will make their next rate announcement on Wednesday, December 19, and added that interest rates are not only influenced by the Federal Reserve but are also impacted by supply and demand. He spoke in praise of Mr. Fay's experience, noting that RBC is a well respected group in the financial industry. He encouraged Mr. Fay to appear before the Council on perhaps a quarterly basis in future to keep Council well informed of the City's investments.

### **Approval of 2040 Comprehensive Plan for Submittal to Metropolitan Council**

Mayor Schneider advised that every 10 years, the City is required by statute to update its Comprehensive Plan which guides the City's path forward in terms of development, sustainability, infrastructure, natural resources, and quality of life. Earlier in 2018, the 2040 Comprehensive Plan Update Task Force group – comprised of Mayor Schneider, Council member Jerde, Planning Commission members Steve Keating and Charlie Miner, Park Board member Jane Davidson, resident Patricia Norman, and Chamber of Commerce President Nate Matousek – was appointed by the City Council and began meeting weekly in early spring. A draft 2040 Comprehensive Plan update was posted in time for the initial deadline for submission of a draft plan to allow for affiliate and public agency comment. Response had been received from the MCWD requesting some additional items be included in the draft plan. A final plan must be submitted by the end of December. Mayor Schneider thanked the Task Force members who participated in the effort, particularly Council member Jerde and Mayor-Elect Charlie Miner who were in attendance at the meeting. Council member Jerde had played a substantial role in the development of a community input survey and tabulation of survey results.

Council member Jerde shared her observations of the community survey results, noting that the conclusion and core vision focused on wanting to maintain a small town community feel. Respondents indicated they live in Long Lake because of its location, the community, schools, parks and trails, affordability, and a feeling that Long Lake is more walkable. Comment was received that respondents do not want Long Lake to become overgrown in terms of higher density for buildings, with a focus on buildings remaining under three to four stories.

Mayor Schneider commented on the high level of community participation in both the design guide and Comprehensive Plan input surveys, noting the exceptional response speaks to the caring and positive attitude the community has for its future.

Mayor Schneider also recognized consultant Barry Petit for his work on both the Long Lake Village Design Guidelines and the 2040 Comprehensive Plan documents.

*A motion was made by Hultmann, seconded by Jerde, to approve Resolution No. 2018-40 adopting the 2040 Comprehensive Plan Update, with final edits by Mayor Schneider as necessary. Ayes: all.*

Mayor Schneider thanked City staff as well for their work on the Comprehensive Plan update project.

### **Authorize Staff to Directly Negotiate a Contract with Hoffman & McNamara for the Wayzata Boulevard Phase 1 Landscaping Project**

Weske reviewed that at the Council's September 4 meeting, the Council had reviewed bids received for the landscaping project and had ultimately made the decision to reject all bids due to planting changes proposed for the berm along the lakeshore. Since that time, staff has been working with SRF to explore costs associated with plan changes; however, cost estimates came in higher than anticipated.

Council member Dyvik indicated that he and staff had met with Hoffman & McNamara a few weeks ago to discuss the details associated with a state aid funded project, which has a specific set of criteria that must be met. Then, last week, Council member Dyvik and staff had met with Otten Bros. as well. Council member Dyvik commented on necessary project requirements such as having a certified inspector review installations before and after, using soil with a specific PH level, and noted there may be more oversight needed in contracting with a company that doesn't have experience with these types of state aid funded projects. He stated he would like to see a contract award take place in December in order to remain on track for spring plantings; however, he would recommend the proposed motion to authorize staff to directly negotiate a contract and pricing with

Hoffman & McNamara for completion of the Wayzata Boulevard W Phase 1 Landscaping Project be amended to allow for staff to negotiate directly with Otten Bros. as well.

*A motion was made by Schneider, seconded by Jerde, to authorize staff to directly negotiate a contract and pricing with Hoffman & McNamara and with Otten Bros. for completion of the Wayzata Boulevard W Phase 1 Landscaping Project, with proposals to be submitted by Thursday, December 13 at 9:00 am.*

Council member Hultmann supported giving Otten Bros. the same opportunity as Hoffman & McNamara.

Council member Skjaret disagreed, noting that enough time and money have been spent at this point. He stated there is a time when the City needs to stop spending the money to try and support a local business, when it has a no-risk contractor available with experience to complete the project.

*Ayes: Hultmann, Jerde, Dyvik, Schneider. Nay: Skjaret. Motion carried.*

### **Wayzata Boulevard W Reconstruction and Landscaping Project Updates**

Public Works Director Diercks indicated that holiday and seasonal banners have been hung and they look fantastic. The City also negotiated with Pristine Lighting to add lighted garland around light poles, and the garland was placed on December 3.

Diercks also advised that he is working to schedule Eureka Construction to begin the Wurzer Trail work required of them by the asphalt crushing contract.

Council member Dyvik thanked Diercks for the work he and his staff have done to install the banners. A designer is working on banners for the warmer months with a theme of highlighting activities Long Lake has to offer. He hopes to be able to share samples with the Council at the next meeting. He commented that he'd noticed Orono had installed lighted snowflakes along poles on their side of the road, and he had contacted Orono Public Works staff to see what may be done for a consistent corridor. Council member Dyvik had been advised the snowflakes were spares used previously in Navarre. He was continuing to explore working with Orono for a consistent corridor appearance.

Council member Dyvik noted the CR 112 Landscaping Subcommittee had also planned to acquire some hanging baskets for summertime to be installed on poles that have basket hangers. A quote has been received from Otten Bros., but there is question on how a purchase would be funded. Cost components associated with the baskets include both the hardware and the plantings.

Council member Hultmann added that the additional labor component by Public Works to water them should be considered.

Council member Dyvik responded that the baskets have a reservoir, but confirmed watering would be required.

Council members shared favorable comments on the appearance of banners and lighting throughout the corridor.

Council member Skjaret reflected that as the plantings are installed, there may be a need to consider a contingency for the things that may be missed.

Council member Dyvik added that the City will have the opportunity to work with the landscaping project contractor selected to make plan changes as needed.

### **Update Regarding City Office Technology Upgrades**

Mayor Schneider commented on the age of office equipment at City Hall and referenced ways in which staff has worked to help keep costs of substantial projects down recently.

Weske stated that since the last discussion of office technology, computer purchases for the new employee and for a replacement for the Clerk were made. Moeller is meeting with a phone system provider next week.

Moeller indicated that primary office equipment upgrades staff would like to continue to pursue would be replacement of the City's out of date unsupported phone system, along with exploring replacing the office copier to permit color copying at City Hall.

Council member Skjaret voiced support for office technology upgrades, and also encouraged consideration of working towards a cloud backup environment.

### **OTHER BUSINESS**

**Highway Section Honoring Officer Mathews** – Council member Hultmann noted that signs honoring Officer Bill Mathews had been placed along Highway 12; however, ceremonial recognition of the new signage would not be occurring before the new year.

**Shop Local** – Council member Hultmann encouraged shopping local, especially in anticipation of the holidays.

**Watering / Garden Club** – Council member Dyvik referenced Council member Hultmann's comments about watering flowers, and questioned whether there has ever been a gardening club that might be interested in helping to maintain plantings. Mayor Schneider noted that John Whitman, a resident on Greenhill Lane, is a master gardener who recently published another book, 'Fresh From the Garden' available for purchase on Amazon. Mr. Whitman is incredibly talented and has written four or five books about gardening in colder climates. He may be a resource to visit with in future.

**Elections – Looking Ahead to 2020** – Moeller had attended a Hennepin County Clerks post-election debrief meeting earlier in the day. Planning ahead for 2020, with the addition of a Presidential Primary in March, cities can anticipate preparing for three elections instead of two in an even year election cycle.

### **ADJOURN**

*A motion was made by Hultmann, seconded by Skjaret, to adjourn the meeting. Ayes: all. Mayor Schneider adjourned the meeting at 8:34 pm.*

Respectfully submitted,

Jeanette Moeller  
City Clerk